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## FISCAL TOPICS

Fiscal Services Division

August 29, 2018



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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

# Instructional Support Program

## Program Overview

The Instructional Support Program was created during the 1989 Legislative Session with the enactment of [House File 535](#) (FY 1990 School and Area Education Agency Financing Act), with implementation of the Program beginning in FY 1992. The Program allows districts to increase their general fund budgets by up to 10.0% of the total regular program district cost. Districts may implement the Program for a five-year duration with local board approval (subject to a reverse referendum) or for 10 years with voter approval.

## Funding

Funding for the Program is formula-based and includes:

- State aid based on an Instructional Support Program funding formula.
- Local taxes, including property taxes or a combination of property taxes and an income surtax.

The formula provides that State aid be distributed equitably so that districts with relatively higher property tax valuations per pupil receive less State funding in relation to districts that have relatively lower property tax valuations per pupil. However, since FY 1993, the State aid appropriation for the Instructional Support Program has been capped and the State aid portion of the formula has not been fully funded. Because school districts are not allowed to levy for the unfunded State aid portion, there is a disparity in the level of funding school districts receive, with property-rich districts receiving a higher level of funding compared to property-poor districts.

## Instructional Support State Aid: Annual Appropriation Cap

Funding for the Program includes a General Fund standing appropriation of \$14.8 million. However, the amount appropriated has been reduced each year since FY 2004 and has been held at \$0 since FY 2012. **Chart 1** (on the following page) provides the funding amounts for the Instructional Support Program since FY 1992. The adjusted State aid amount reflects the amount of State aid appropriated for the Program.

## Related Statutes

Iowa Code sections [257.18](#) through [257.26](#)

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## More Information

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<b>Legislative Services Agency: Instructional Support Program Funding (FY 1992 - FY 2018)</b>							
<b>Fiscal Year</b>	<b>Total Program Cost</b>	<b>Unadjusted State Aid</b>	<b>Income Surtax</b>	<b>Property Tax</b>	<b>Adjusted State Aid</b>	<b>Total Adjusted Funding</b>	<b>Unfunded State Aid Portion</b>
1992	\$ 47,514,612	\$ 12,507,656	\$ 10,610,537	\$ 24,396,419	\$ 12,507,656	\$ 47,514,612	\$ 0
1993	59,563,103	15,295,323	14,787,371	29,480,409	14,798,225	59,066,005	497,098
1994	67,256,618	17,464,830	16,612,565	33,179,223	14,798,227	64,590,015	2,666,603
1995	76,605,858	20,119,685	18,661,622	37,824,551	14,798,227	71,284,400	5,321,458
1996	83,045,396	21,652,580	20,334,907	41,057,909	14,798,220	76,191,036	6,854,360
1997	91,952,640	24,079,753	24,605,939	43,266,948	14,798,222	82,671,109	9,281,531
1998	103,967,187	26,964,335	31,165,860	45,836,992	14,798,222	91,801,074	12,166,113
1999	112,088,509	28,935,618	33,770,990	49,381,901	14,798,225	97,951,116	14,137,393
2000	119,232,505	30,727,572	38,144,264	50,360,669	14,798,223	103,303,156	15,929,349
2001	127,997,741	33,046,406	36,273,229	58,678,106	14,798,227	109,749,562	18,248,179
2002	143,367,292	37,377,754	42,063,966	63,925,572	14,798,227	120,787,765	22,579,527
2003	155,793,265	40,799,075	47,141,637	67,852,553	14,789,189	129,783,379	26,009,886
2004	162,954,777	42,876,559	46,888,458	73,189,750	14,798,200	134,876,408	28,078,359
2005	174,605,671	45,683,883	51,958,735	76,963,053	14,428,247	143,350,035	31,255,636
2006	185,511,936	48,618,552	57,824,212	79,069,172	14,428,238	151,321,622	34,190,314
2007	201,261,100	53,302,216	64,699,884	83,259,000	14,428,268	162,387,152	38,873,948
2008	216,304,753	57,537,690	70,068,454	88,698,609	14,428,264	173,195,327	43,109,426
2009	227,543,286	60,653,462	76,228,604	90,661,220	14,428,246	181,318,070	46,225,216
2010	241,227,621	64,457,860	81,708,675	95,061,086	13,103,950	189,873,711	51,353,910
2011	249,717,705	67,149,646	84,302,509	98,265,550	7,499,936	190,067,995	59,649,710
2012	254,023,435	68,466,052	85,171,536	100,385,847	0	185,557,383	68,466,052
2013	260,389,230	70,492,294	85,667,381	104,229,555	0	189,896,936	70,492,294
2014	275,253,716	75,255,294	85,521,643	114,476,779	0	199,998,422	75,255,294
2015	292,288,599	80,832,538	91,988,125	119,467,936	0	211,456,061	80,832,538
2016	300,295,475	83,224,643	89,054,210	128,016,622	0	217,070,832	83,224,643
2017	310,997,581	86,835,537	90,292,071	133,869,973	0	224,162,051	86,835,537
2018	318,866,322	89,536,438	91,245,323	138,084,561	0	229,329,884	89,536,438
Notes:							
Data displayed is based on Department of Management Aid and Levy Worksheets and does not reflect any adjustments made during the fiscal year (such as across-the-board reductions).							
Unadjusted State aid is the total amount of State aid required to fully fund the State aid portion of the Instructional Support Program formula.							
Adjusted State aid is the amount of State aid funding appropriated for the Instructional Support Program.							
In FY 2010, there were no State aid dollars appropriated from the State General Fund. However, American Reinvestment and Recovery Act (ARRA) Education Stabilization funding totaling \$13.1 million was used in lieu of State aid.							
The FY 2011 adjusted State aid total was \$7.5 million with funding appropriated from the School Infrastructure Fund in lieu of General Fund dollars.							
In FY 2012 through FY 2018, there was no State funding appropriated for the Program.							
Sources:							
Iowa Department of Management, School aid files							
LSA calculations							

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